Ballard Spahr

210 Lake Drive East, Suite 200 Cherry Hill, NJ 08002-1163 TEL 856.761.3400 FAX 856.761.1020 www.ballardspahr.com

Glenn A. Harris Tel: 856.761.3440 Fax: 856.761.1020 harrisg@ballardspahr.com

May 3, 2019

Via E-mail

Andrea Leshak, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency,
Region 2
290 Broadway, 17th Floor
New York, New York 10007-1866

Re: PROTECO Site in Puerto Rico

Dear Ms. Leshak:

This is the response made on behalf of Block Drug Company, Inc. ("BDC") to the United States Environmental Protection Agency's ("EPA's") March 28, 2019 Request for Information addressed to Jack Bailey with respect to the above-referenced site (the "RFI").

By way of introducing the parties, BDC, a New Jersey corporation, is a successor by merger to Reedco, Inc. ("Reedco") and is a wholly owned subsidiary of GlaxoSmithKline Consumer Healthcare Holdings LLC ("Healthcare"). Healthcare is an indirect subsidiary of GlaxoSmithKline plc ("PLC"), which is a publicly traded limited liability company organized under the laws of England. PLC acquired BDC in January 2001 through a wholly owned subsidiary. GlaxoSmithKline LLC ("GSK") is the United States operating company for the GlaxoSmithKline pharmaceutical businesses.

This response is based upon BDC and GSK's search for documents and information in their possession relating to Reedco, including the former Reedco facility located at or about State Road No. 3, Km. 76.4, Rio Abajo Ward, in Humacao, Puerto Rico (the "Facility"), which is the subject of the RFI, and to the PROTECO Site.

BDC notes that one of the enclosed documents, "Reedco & Dentco Environmental History" ("History"), while unverified by BDC, discusses the closure of the Facility in accordance with RCRA. Neither BDC nor GSK has any of the referenced documents in its possession, but those documents should be in the possession of EPA. Those documents likely contain information that would be relevant to the RFI.

Andrea Leshak, Esq. May 3, 2019 Page 2

BDC reserves its right to continue to review and to supplement, modify, and/or amend its responses should additional information become available.

BDC's Response to EPA's Request for Information

BDC objects to the instructions provided with the RFI, the definitions, and the requests to the extent any of those exceed the authority given to EPA in 42 U.S.C. § 9604.

Subject to these objections, BDC responds as follows:

- 1. BDC objects to this request as beyond the authority granted in CERCLA Section 104(e). Without waiving such objection, GSK's mailing address is 5 Crescent Drive, Philadelphia, PA 19112. Healthcare's mailing address is 184 Liberty Corner Road, Suite 200, Warren, NJ 07059. BDC's mailing address is 184 Liberty Corner Road, Suite 200, Warren, NJ 07059. Reedco was a Delaware corporation. Reedco merged into BDC in or about 2008.
- 2. See response to Request No. 1.
- 3. See response to Request No. 1.
- 4. See response to Request No. 1.
- 5. BDC objects to this request as beyond the authority granted in CERCLA Section 104(e).
- 6. Based on the unverified information in the attached History, Tegrin Inc. (later known as Reedco) began operations at the Facility in or about March 1974. The Facility was sold in or about 2004 to F.I.G., Inc. pursuant to the attached November 11, 2004 Asset Purchase Agreement. BDC has undertaken a title search with respect to the Facility.
- 7. BDC objects to this request as beyond the authority granted in CERCLA Section 104(e).
- 8. Based on the unverified information in the attached History, Reedco initially manufactured Tegrin shampoo at the Facility. Reedco began manufacturing Kwell shampoo, which contained Lindane, in November 1974. Manufacturing of Kwell ended in 1992.
- 9. See response to Request No. 1.

- 10. See responses to Request Nos. 1 and 6.
- BDC objects to this request as beyond the authority granted in CERCLA Section 104(e).
- 12. BDC has not identified any documents or information responsive to this request.
- 13. BDC has not identified any documents or information responsive to this request.
- 14. BDC has not identified any documents or information responsive to this request.
- 15. BDC has not identified any documents or information responsive to this request.
- 16. BDC has not identified any documents or information responsive to this request.
- 17. BDC has not identified any documents or information responsive to this request.
- 18. See response to Request No. 1.
- 19. BDC has not identified any documents or information responsive to this request.
- 20. BDC has not identified any documents or information responsive to this request.
- 21. BDC has not identified any documents or information responsive to this request.
- 22. Based on the unverified information in the attached History, Reedco used authorized waste contractors to remove all solid waste, liquid waste, and hazardous waste according to EPA and EQB regulations. The Facility treatment plant operated in accordance with Permit # GDA-91-607-062. All outflow from that plant discharged to the Humacao Regional Treatment Plant. Reedco additionally possessed an Air Emission Permit No. PLE-LC-36-0300-0363-I-II-0 with EPA and EQB.
- 23. BDC has not identified any documents or information responsive to this request.
- 24. BDC has not identified any documents or information responsive to this request.
- 25. BDC has not identified any documents or information responsive to this request.
- 26. BDC has not identified any documents or information responsive to this request.
- 27. BDC has not identified any documents or information responsive to this request.
- 28. See response to Request No. 1.

- 29. BDC has not identified any documents or information responsive to this request.
- 30. BDC has not identified any documents or information responsive to this request other than those provided herewith.
- 31. BDC's and GSK's investigation is continuing. See Section 1.1 of the Asset Purchase Agreement. Neither BDC nor GSK otherwise has identified any documents or information responsive to this request.
- 32. BDC objects to this request as beyond the authority granted in CERCLA Section 104(e).
- 33. BDC has not identified any documents or information responsive to this request.
- 34. BDC has not identified any documents or information responsive to this request.
- 35. BDC has not identified any documents or information responsive to this request.
- 36. The undersigned counsel for BDC drafted this response. He has no personal knowledge of the responses. Searches for responsive documents were supervised by Andrew Boczkowski, Esq. (Assistant General Counsel), Justin Huang, Esq. (Senior Counsel), and Jan Landwehr (paralegal), each of GSK. None of these personnel has personal knowledge of the responses.

Very truly yours,

Glenn A. Harris

GAH/mds

cc: Zolymar Luna

ASSET PURCHASE AGREEMEN T

Asset Purchase Agreement dated as of November 11, 2004 by and among F.I.G., Inc., a Puerto Rico corporation(the "Purchaser") and Reedco, Inc., a Delaware corporation ("Reedco") and Dentco, Inc., a Delaware corporation ("Dentco") (Reedco and Dentco collectively called the "Seller").

WHEREAS the Seller owns certain properties and buildings located at State Road No. 3, Km. 76.4, Rio Abajo Ward, in Humacao, Puerto Rico;

WHEREAS, the Purchaser and the Seller desire to enter into this Agreement pursuant to which the Seller will convey to the Purchaser and the Purchaser will acquire from the Seller certain of the properties and assets of the Seller and assume certain of the Seller's obligations, both as related to certain properties and buildings located at State Road No. 3, Km. 76.4, Río Abajo Ward, Humacao, Puerto Rico;

NOW THEREFORE, in consideration of the premises and the mutual agreement hereinafter set forth, the parties hereto hereby agree as follows:

<u>Transfer of Assets.</u>

- 1.1. Sale and Purchase of Assets. At the Closing (as defined in Section 3.1), on the terms and subject to the conditions hereof and in reliance upon the representations, warranties and covenants contained herein, the Seller will sell, convey, transfer, and assign and deliver to the Purchaser "as is", "where is" and without representation or warranty, except as otherwise stated in this Agreement, and the Purchaser will purchase and acquire from the Seller, all of the Seller's right, title and interest in and to the property, machinery and equipment, contract rights, and other assets, located at State Road No. 3, Km. 76.4, Río Abajo Ward, Humacao, Puerto Rico, including, without limitation, the following (but not including Excluded Assets as set forth in Section 1.2) (collectively, the "Assets"):
- (a) the real properties owned by Reedco and Dentco described in Schedule 1.1(a) together with (i) all buildings, facilities and other structures and improvements located thereon, (ii) all rights, privileges, hereditaments and appurtenances appertaining thereto or to any of such buildings, facilities or other structures or improvements, and (iii) to the extent constituting real property under applicable law, all fixtures, installations, machinery, equipment and other property attached thereto or located thereon (collectively, the "Real Properties");
- (b) All fixtures, installations, machinery, equipment and spare parts, to the extent not constituting real property under applicable law, furniture, tools, office equipment and other personal property not normally included in inventory;
- (c) All of the Seller's rights and benefits under the leases, contracts, and other agreements, arrangements, understandings and commitments, relating to the Real

Properties that are to be assigned to the Purchaser at the Closing, which are set forth in Schedule 4.4 (collectively, the "Contracts");

- (d) All records, files, equipment manuals and maintenance records, building and equipment blueprints and specifications, drawings and designs, real estate surveys and reports, computer software (to the extent owned and assignable by Seller), and other data used or held for use in connection with the Real Properties other than as set forth in Schedule 1.2 (collectively, the "Books and Records");
- (e) All transferable licenses, permits, authorizations, franchises and other approvals from any domestic (Federal, Commonwealth of Puerto Rico or local) or foreign governmental, public or regulatory body or authority used or held for use in connection with the Real Properties (collectively, the "Permits"), subject to governmental approval of transfer of same, if any; and
- (f) All other properties and assets of every kind and nature, real or personal, tangible or intangible owned by the Seller and used or held for use exclusively or primarily in connection with the Real Properties and not otherwise specifically excluded under Section 1.2.
- 1.2. Exclusions From Assets. Notwithstanding the provisions of Section 1.1, the term "Assets" does not include any of the properties or assets listed in Schedule 1.2 (the "Excluded Assets") and none of the Excluded Assets are intended to be conveyed under this Agreement.

1.3. <u>Assumption of Liabilities</u>.

- (a) As of the Closing, the Purchaser will only assume and thereafter pay, perform or discharge the Seller's obligations and liabilities arising and to be performed after Closing under the Contracts listed in Schedule 4.4 and noted therein as being assigned and assumed
- (b) Except as otherwise expressly provided in Section 1.3(a), the Purchaser does not assume, agree to pay perform or discharge, or indemnify the Seller against or otherwise have any responsibility for any liability or obligations whatsoever of the Seller, fixed or contingent, and whether arising or to be performed before, on or after the Closing.

2. Purchase Price.

- 2.1. <u>Purchase Price</u>. The purchase price for the Assets (the "<u>Purchase Price</u>") shall be \$3,450,000.00 payable at the Closing by the Seller's applying the Purchase Deposit described in Section 2.2 and a wire transfer of \$3,277,500.00 by the Purchaser in immediately available funds to an account designated in writing by the Seller.
- 2.2. <u>Purchase Deposit</u>. On the date hereof, Purchaser delivered \$172,500.00 as an earnest money purchase deposit (the "Purchase Deposit") by wire transfer to an account

designated by the Seller. Seller shall be under no obligation to refund such Purchase Deposit, except as provided in Section 2.4.

- 2.3. Allocation of Purchase Price Among the Assets. The Seller and the Purchaser agree that the Purchase Price shall be allocated among the Real Properties on the basis of \$16.5632 per square foot of the existing buildings in the Real Properties with a total area of 208,293 sq.ft. thirty (30) days after the Closing. The Seller and the Purchaser shall report the sale and purchase of the Assets for all Federal, Commonwealth of Puerto Rico and local tax purposes in a manner consistent with such allocation.
- 2.4. Return of Purchase Deposit. The Seller shall promptly return to the Purchaser the Purchase Deposit only in the event the Seller fails to comply with the terms of this Agreement or the Purchaser elects to terminate this Agreement pursuant to Section 2.5, otherwise the Seller shall retain the Purchase Deposit which shall be in addition to, and not in lieu of, any and all other remedies available to the Seller at law or in equity.
- Due Diligence Period. Purchaser shall have until November 30, 2004(the "Due Diligence Period") to perform a Phase I environmental study of the Real Properties (the "Phase I Study"). If, during the Due Diligence Period, the Purchaser shall determine in its sole and absolute discretion that it is not satisfied with the Real Properties in any respect, then the Purchaser shall have the absolute and unconditional right to terminate this Agreement on written notice to the Seller, in which event the Purchase Deposit shall promptly be returned to the Purchaser and neither party shall have any further liability to the other under this Agreement. The Purchaser may elect to waive its right to terminate this Agreement and proceed to Closing. Purchaser shall give written notice to the Seller of its election to terminate this Agreement prior to 5 p.m. New York City, N.Y. time on or prior to the expiration date of the Due Diligence Period.

In the event the Purchaser elects to terminate this Agreement during the Due Diligence Period, Purchaser agrees to provide to the Seller the Phase I Study. In such event, Seller shall reimburse to the Purchaser the cost of the Phase I Study.

2.6 <u>Escrow.</u> Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, the other provisions of this Section 2, the Purchase Deposit shall be paid to and held by Sellers attorney (the "Escrow Agent").

3. <u>Closing.</u>

- 3.1. <u>Time and Place</u>. The closing of the transactions contemplated hereby (the "<u>Closing</u>") shall take place at the offices of Fiddler, González & Rodríguez, Hato Rey, Puerto Rico, within thirty (30) days after the end of the Due Diligence Period, commencing at 10:00 a.m., local time, or as soon as practicable thereafter or at such other time and/or date as the parties hereto may agree (the "<u>Closing Date</u>").
 - 3.2 Delivery of Instruments and Payment. At the Closing:

- (a) the Seller will execute and deliver to the Purchaser such deeds, bills of sale, assignments, endorsements and other instruments and documents of transfer for the Assets, satisfactory in form and substance to the Purchaser, together with all applicable documentary, revenue and tax stamps in the required amount, affixed thereto by the Seller, as shall be effective to vest in the Purchaser on the Closing Date with fee simple, good, marketable and insurable title to the Assets, free and clear of any mortgages, pledges, liens, charges or encumbrances thereon other than those described herein; provided, any deed or other instrument to effectuate the transfer of the Real Properties shall be satisfactory in form and substance to the Seller and the Purchaser and shall be executed before a Notary Public selected by the Seller; and
- (b) the Purchaser will pay the Purchase Price in accordance with Section 2.1.
- 3.3. Payment of Stamp Taxes and Other Charges. At the Closing (a) the Seller will pay the documentary stamp taxes due in respect to the original of any deed or other instrument executed to effectuate the transfer of the Real Properties, (b) the Purchaser will pay the documentary stamps taxes due in respect to the certified copy of any deed or other instrument executed to effectuate the transfer of the Real Property, (c) the Purchaser will pay all stamp taxes, filing fees and any other costs due in connection with the recording of deeds and other instruments of transfer referred to in Section 3.2(a), and (d) the Seller and the Purchaser shall split between the two parties the cost of the notarial tariff, attorneys fees and any other fees due in connection with the deeds and other instruments of transfer referred to in Section 3.2(a).
- Apportionments. To the extent not covered by Section 3.3, the following items shall be apportioned as of midnight on the day of the Closing: (a) rents and other charges and fees payable or receivable under the Contracts and Permits being assumed by the Purchaser pursuant to Section 1.3(a); (b) real estate and personal property taxes, sewer rents and charges and other Commonwealth of Puerto Rico and local taxes and charges affecting the Real Properties or any portion thereof, on the basis of the fiscal year for which the same are levied. imposed or assessed; (c) charges for water, electricity, gas, oil, steam, telephone and all other utilities (except to the extent disposed of by final billing to the Seller); and (d) such other items as are customarily apportioned in connection with the sale of similar property in the location of the property being transferred. Not less than one business day prior to the Closing, the Seller shall prepare and deliver to the Purchaser a statement of such apportionments which the Purchaser shall review. Upon completion of such review and agreement as to any correction in the Seller's statement of such apportionments, at the Closing the Purchaser will pay to the Seller, or the Seller will pay to the Purchaser, as the case may be, any amount together with, or offset against, as the case may be, the payment of the Purchase Price pursuant to Section 2.1. To the extent that appropriate apportionment may not be possible at the Closing or is based on approximate figures, appropriate adjustments shall be made within 30 days of receipt of appropriate documentation (such as utility bills).
- 4. <u>Representations and Warranties of the Seller.</u> The Seller represents and warrants to the Purchaser that:

- 4.1. <u>Organization and Qualification</u>. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to own, lease and operate the Assets.
- Authorization. The Seller has the requisite corporate power to enter into this Agreement and all of the other agreements, certificates and documents delivered or to be delivered at or before the Closing in connection with the transactions contemplated hereby (the "Ancillary Documents"). The execution and delivery by the Seller of this Agreement and the Ancillary Documents to which it is a party, the consummation by the Seller of its obligations hereunder and thereunder have been, or will have been by the Closing Date, duly authorized by all necessary corporate action on the part of the Seller. This Agreement has been duly executed and delivered and constitutes the legal and binding obligation of the Seller enforceable in accordance with its terms. Upon execution and delivery thereof by the Seller, the Ancillary Documents will constitute legal and binding obligations of the Seller enforceable in accordance with their respective terms. The execution and delivery by the Seller of this Agreement and the Ancillary Documents, the consummation of the transactions contemplated hereby and thereby, and the performance by the Seller of its obligations hereunder and thereunder will not conflict with or result in any material violation of, or constitute a material default under (either immediately or with notice or lapse of time), or result in any right to accelerate or the creation or imposition of any lien, charge or encumbrance upon any of the Assets pursuant to, any provision of (a) the articles of incorporation or by-laws of the Seller, (b) any agreement, contract, lease, license, note, bond, mortgage, indenture, deed of trust or other instruments under which any of the Assets is bound, (c) any governmental franchise, license, permit or authorization, or any judgment or order of any tribunal or governmental body applicable to the Seller, or any of the Assets, or (d) any law, statute, decree, rule or regulation of any jurisdiction. No authorization consent or approval of or declaration of, filing with or notice to any governmental body or authority by the Seller is necessary for the execution of this Agreement or any of the Ancillary Documents, the consummation by the Seller of the transactions contemplated hereby and thereby or the performance by the Seller of its obligations hereunder and thereunder.
- 4.3. <u>Title to Property: Absence of Encumbrances, etc.</u> Set forth in Schedule 1.1(a) is a complete and accurate list of (a) the Real Properties (including material improvements thereon) included in the Assets, (b) all Encumbrances (as defined below) to which the Real Properties are subject. Except as specified in such Schedule 1.1(a), the Seller has good, marketable and insurable title to the Real Properties free and clear of all mortgages, pledges, liens, security interests or taxes, assessments or other governmental charges not yet due and payable, or presently payable without penalty or interest, including, without limitation, any governmental restrictions on the operation of the Real Properties (collectively, the "Encumbrances").
- 4.4. <u>Contracts</u>. Set forth in Schedule 4.4 is a complete and correct list of the contracts, whether written or oral, to which the Seller is a party and which relate exclusively or primarily to, or are material to the operation of, the Real Properties or by which the Real Properties may be bound, and which will be assigned to the Purchaser at the Closing. All such Contracts are in full force and effect, the Seller is not in default thereunder and no event has



occurred which, whether with notice, lapse or time or otherwise, would constitute a default thereunder.

4.5. Taxes.

- (a) As used herein, "Tax" shall mean any Federal, Commonwealth of Puerto Rico and local sales and use, excise, real and personal property, transfer or other tax, fees or governmental charge, including franchise fee imposed exclusively or primarily in connection with the Real Properties, including any additions to tax, penalties or interest imposed with respect thereto.
- (b) The Seller has duly and timely filed (giving due regard to the permitted extensions) all Federal, Commonwealth of Puerto Rico and local tax reports, returns and other documents required to be filed by it with respect to the Real Properties, which reports, returns and documents are true, complete and correct in all material respects. All Taxes due and payable have been paid in full or adequate reserve therefore has been made by the Seller. There are no tax liens upon any of the Real Properties, except liens for current Taxes not yet due nor to the knowledge of the Seller is there any basis for assertion of such a lien on any of the Real Properties.
- 4.6, <u>Permits</u>. The Seller has obtained and holds all licenses, permits, authorizations, consents, orders or approvals and any other Permits of any foreign, Federal, Commonwealth of Puerto Rico or local governmental or regulatory body that are necessary or required to own, maintain and operate the Real Properties as they are currently utilized by the Seller. All of the Permits are validly issued and in full force and effect and the Seller is in compliance therewith in all material respects.
- 4.7. <u>Brokers</u>. No broker, finder, agent or other intermediary has acted on behalf of the Seller in connection with this Agreement or the transactions contemplated hereby, except for Christiansen & Portela.
- 5. <u>Representations and Warranties of the Purchaser</u>. The Purchaser represents and warrants to the Seller that:
- 5.1 <u>Organization and Qualification</u>. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Puerto Rico and has the requisite power and authority to own, lease and operate its properties and carry on its business as it is now being conducted in the Commonwealth of Puerto Rico.
- 5.2. <u>Authorization</u>. The Purchaser has the requisite power to enter into this Agreement and all of the Ancillary Documents to which it is a party. The execution and delivery by the Purchaser of this Agreement and the Ancillary Documents to which it is a party, the consummation by the Purchaser of the transactions contemplated hereby and thereby, and the performance by the Purchaser of its obligations hereunder and thereunder have been, or will have been by the Closing Date, duly authorized by all necessary action on the part of the Purchaser. This Agreement has been duly executed and delivered and constitutes the legal and binding



obligation of the Purchaser enforceable in accordance with its terms. Upon the execution and delivery thereof by the Purchaser, the Ancillary Documents to which it is a party will constitute legal and binding obligations of the Purchaser enforceable in accordance with their respective The execution and delivery by the Purchaser of this Agreement and the Ancillary Documents, the consummation of the transactions contemplated hereby and thereby, and the performance by the Purchaser of its obligations hereunder and thereunder will not conflict with or result in any material violation of, or constitute a material default under (either immediately or with notice or lapse of time), or result in any right to accelerate or the creation or imposition of any lien, charge or encumbrance pursuant to, any provision of (a) the organizational documents of the Purchaser, (b) any agreement, contract, lease, license, note, bond, mortgage, indenture, deed of trust or other instrument to which the Purchaser is a party or by which any of the Purchaser's properties or other assets is bound, (c) any governmental franchise, license, permit or authorization, or any judgment or order of any tribunal or governmental body applicable to the Purchaser, or any of the Purchaser's properties or other assets, or (d) any law, statute, decree, rule or regulation of notice to any governmental body or authority by the Purchaser is necessary for the execution of this Agreement or any of the Ancillary Documents, the consummation by the Purchaser of the transactions contemplated hereby and thereby or the performance by the Purchaser of its obligations hereunder and thereunder.

5.3. <u>Brokers</u>. No broker, finder or other intermediary has acted on behalf of the Purchaser in connection with this Agreement or the transactions contemplated hereby.

Covenants of the Seller. The Seller covenants as follows:

- 6.1. Action to Closing. From the date of this Agreement until the Closing Date, the Seller will (a) maintain the Real Properties in substantially the manner as heretofore an in accordance with all applicable laws, rules, regulations, orders, approvals, authorizations, exemptions, classifications and registrations, (b) maintain all of the Assets in as good condition and repair as of the date hereof, reasonable wear and tear excepted and (c) perform in all material respects all of the respective obligations under all Contracts listed in Schedule 4.4 to be assigned to the Purchaser pursuant to this Agreement, and not amend, alter or modify any provision of any such Contracts, other than in the ordinary course.
- 6.2. <u>Publicity: Confidentiality</u>. The Seller will not, without the consent of the Purchaser, issue or cause the publication of any press release with respect to this Agreement after the date hereof, except where such release or announcement is required by law.
- 6.3. <u>Permit Transfer</u>. To the extent allowed by applicable statutes, laws and regulations, and consistent with the terms of this Agreement, Seller shall cooperate with in the preparation of all applications, forms and documents necessary to process the transfer of any Permits currently held by Seller from the Seller to Purchaser prior to the Closing Date.
 - 7. Covenants of the Purchaser. The Purchaser covenants as follows:

- 7.1. <u>Publicity: Confidentiality</u>. The Purchaser will not, without the consent of the Seller, issue or cause the publication of any press release with respect to this Agreement after the date hereof, except where such release or announcement is required by law.
- 7.2 Permit Transfer. To the extent allowed by applicable statutes, laws and regulations, and consistent with the terms of this Agreement, Purchaser shall use its best efforts to obtain all consents required for the assignment and/or transfer of the Permits currently held by Seller from the Seller to Purchaser prior to the Closing Date. The Purchaser shall abide by and comply with the Seller's obligations arising or to be performed after the Closing under the Permits to the extent such Permits are disclosed therein and are specifically assigned, to the extent permitted by law, to the Purchaser.
- 8. <u>Conditions to the Obligations of the Seller.</u> The obligations of the Seller to effect the transactions contemplated hereby are subject to the fulfillment to its satisfaction, prior to or at the Closing, of the following conditions:
- 8.1. Representations and Warranties. The representations and warranties of the Purchaser contained herein shall have been true and correct when made and shall be true and correct at and as of the Closing as though such representations and warranties were made at and as of the Closing.
- 8.2. <u>Performance</u>. The Purchaser shall have performed and complied with each covenant or condition required by this Agreement to be performed or complied with by it before or at the Closing.
- 9. <u>Conditions to the Obligations of the Purchaser</u>. The obligations of the Purchaser to effect the transactions contemplated hereby are subject to the fulfillment to its satisfaction, before or at the Closing, of the following conditions:
- 9.1. Representations and Warranties. The representations and warranties of the Seller contained in this Agreement shall have been true and correct when made and shall be true and correct in all material respects at and as of the Closing as though such representations and warranties were made at and as of the Closing.
- 9.2. <u>Performance</u>. The Seller shall have performed and complied with each covenant and condition required by this Agreement to be performed or complied with by it before or at the Closing.

10. Risk of Loss.

10.1. <u>Insurance</u>. Seller shall maintain the fire and extended coverage insurance on the Real Properties until Closing, in an amount not less than the policies existing as of the date hereof. Following the Closing, the Purchaser shall be responsible for insurance on the Real Properties.

- Properties shall be damaged or destroyed by fire, or other casualty, then (a) Closing shall proceed as contemplated by this Agreement, (b) the obligations of Purchaser hereunder and the Purchase Price shall not be affected by such damage or destruction, (c) Seller at its election shall either (i) repair, replace or restore such improvements at its expense to the condition existing immediately prior to the occurrence of the casualty or (ii) pay to Purchaser the amount (as determined by an independent insurance adjuster mutually agreed upon by the Seller and Purchaser) necessary to repair, replace or restore the Real Properties to the condition existing immediately prior to the occurrence of the casualty, in which event Seller shall have no further obligation in regards to such damage or destruction to the Real Properties; or (d) Seller may, at its sole discretion, elect to terminate this Agreement. Upon such termination, the Purchase Deposit shall be paid to Seller by the Escrow Agent, whereupon this Agreement shall be deemed canceled and the parties hereto shall be released of all obligations and liabilities under this Agreement.
- all of the Real Properties are taken by eminent domain, Seller shall so notify Purchaser and this Agreement shall be terminated. If less than all or substantially all of the Real Properties shall be taken, then, (i) at Seller's and Purchaser's election (a) the parties shall proceed to settlement, (b) Seller shall assign the condemnation award, if any, to Purchaser at settlement, (c) the Purchase Price shall not be affected by such taking, and (d) Seller shall not be obligated to repair, replace or restore the Real Properties, or (ii) this Agreement shall be terminated. For the purposes of this Section, a taking of "substantially all of the Real Properties" shall mean a taking of more than 25% of the Real Properties. Upon any such termination, the Purchase Deposit shall be paid to Seller by the Escrow Agent, whereupon this Agreement shall be deemed canceled and the parties hereto shall be released of all obligations and liabilities under this Agreement.
- 10.4. <u>Survival</u>. The provisions of this Section 10 shall survive the Closing Date. The Parties agree that their respective rights in case of damage, destruction, condemnation or taking by eminent domain on or prior to the Closing Date shall be governed by the provisions of this Section 10.

11. General Provisions.

- 11.1. <u>Modification: Waiver</u>. This Agreement may be modified only by a written instrument executed by the parties hereto. Any of the terms and conditions of this Agreement may be waived in writing at any time on or before the Closing Date by the party entitled to the benefits thereof.
- 11.2. <u>Entire Agreement, etc.</u> This Agreement, together with the Schedules and Exhibits hereto and the Ancillary Documents, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection therewith.
 - 11.3. Termination. This Agreement may be terminated:

- at any time before the Closing Date by mutual consent of the (a) Purchaser and the Seller; or
- by either the Purchaser or the Seller in writing, if the Closing shall not have occurred on or before the thirtieth (30th) day after the end of the Due Diligence Period, or such later date as the Seller and Purchaser may agree in writing; provided that the nonoccurrence of the Closing is not attributable to a breach of the terms hereof by the party seeking termination, and
- upon any such termination, the Purchase Deposit shall be paid to (c) Seller by the Escrow Agent.
- 11.4. Expenses. Whether or not the transactions contemplated herein shall be consummated, each party shall pay its own expenses and legal fees incident to the preparation and performance of this Agreement.
- 11.5. Further Actions. Each party shall execute and deliver such certificates, agreements and other documents and take such other actions as may reasonably be requested by the other party in order to consummate or implement the transactions contemplated hereby.
- 11.6. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, registered mail, first-class postage paid, return receipt requested, or any other delivery service with proof of delivery:

If to the Seller:

GlaxoSmithKline 200 North 16th Street Philadelphia, PA 19102

Attention: President, Reedco, Inc.

President, Dentco, Inc.

With a copy to

GlaxoSmithKline 200 North 16th Street Philadelphia, PA 19102

Attention:

Paul R. Noll

If to the Purchaser:

FIG. Inc.

1954 McLeary Street

San Juan, Puerto Rico 00911

Attention:

Mr. Manuel Menéndez

With a copy to:

Christiansen & Portela Citibank Tower, Suite 2001 252 Ponce de León Avenue Hato Rey, Puerto Rico 00918

Attention:

Mr. Gerald J. Christiansen

Or to such other address or to such other person as either party hereto shall have last designated by notice to the other party.

- 11.7. <u>Assignment</u>. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but shall not be assignable, by operation of law or otherwise, by either party hereto without the prior written consent of the other party.
- 11.8. <u>Counterparts</u>. This Agreement may be executed in several counterparts, each of which is an original but all of which shall constitute one instrument.
- 11.9. <u>Headings</u>. The section and other headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof.
- Agreement and all Ancillary Documents, unless expressly provided to the contrary, shall be governed by the laws of the Commonwealth of Puerto Rico, without giving effect to the principles of conflicts of law thereof, except that with respect to matters regarding the transfer of right, title to and interest in any Contract, the laws governing such contract shall govern.
- 11.11. Separability. Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement unless the effect of such invalidity is to frustrate the overall intention of the parties.

SIGNATURE PAGE FOLLOWS



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

F.I.G, Inc.	Reedco, Inc.	
By: Name: Name: Title:	By: Name: Title:	
Dentco, Inc.		
By:		
Name:		
Title		

Schedule 1.1 (a)

Except for the property listed under Schedule 1.2 Excluded Assets, all real property, furniture, fixtures, machinery, and equipment are to be included in the sale of the Assets as set forth in Section 1.1 of the Asset Purchase Agreement.

Legal description of real properties:

- 1. RUSTICA: Parcela radicada en el Barrio Rio Abajo del término municipal de Humacao, con una cabida superficial de 6.5504 cuerdas; en lindes por el NORTE, con 3 alineaciones distintas que suman 203.48 metros con el remanente de Humacao Industrial Park, Inc.; por el SUR, en 2 alineaciones distintas que suman 85.94 metros, con terrenos del Estado Libre Asociado de Puerto Rico; por el ESTE, en 3 alineaciones distintas que suman 173.12 metros, con terrenos de M. H. K. Corporation; y por el OESTE, en 3 alineaciones distintas que suman 222.78 metros con terrenos de Rafael Carazo Monge, Sergio Camero y Luis A. Rodríguez.
- 2. URBANA: Parcela radicada en el barrio Río Abajo de Humacao con una cabida superficial agregada de 2.3738 cuerdas, igual a 9,330.1319 metros cuadrados, en lindes por el NORTE en 29.40 metros con el remanente de la finca principal y 66.158 metros con una calle Pública; SUR con terreno de Reedco Inc., y Dentco Inc., distancia de 114.4132 metros; SUR en una curva circular o arco en una distancia de 7.854 metros con una intersección de dos calles públicas y por una distancia recta de 13.664 metros, una curva redonda o arco en una distancia de 47.168 metros y por una distancia recta de 7.0412 metros con una calle pública y por el OESTE en una distancia de 108.5575 metros con el remanente de la finca principal.



- 3. RUSTICA: Parcela radicada en el Barrio Río Abajo de Humacao, con cabida de 10,022.4178 metros cuadrados, equivalente a 2.55 cuerdas, en lindes por el NORTE, en 33.835 metros, con lote 2 y 69.07 metros, con lote 1 segregados de la finca principal; por el SUR, con terrenos del Estado Libre Asociado de Puerto Rico para ensanche de la carretera 3; por el ESTE, con calle pública y por el OESTE, con Block Drug Company.
- 4. RUSTICA: Parcela de terreno radicada en el barrio Río Abajo del término municipal de Humacao, con un área superficial de 1,3850 cuerdas equivalentes a 5,443.546 metros cuadrados y en lindes por el NORTE Y OESTE con la finca principal de la cual se segrega; ESTE, con la calle C de la Urbanización Industrial Humacao Industrial Park; SUR con la calle B de la antes mencionada Urbanización Industrial.
- 5. RUSTICA: Parcela radicada en el Barrio Río Abajo del termino municipal de Humacao, con una cabida superficial de tres punto siete mil doscientos dos (3.7202) cuerdas; en lindes por el NORTE, con tres (3) alineaciones distintas que suman Doscientos tres punto cuarenta y ocho (203.48) metros con terrenos de Humacao Industrial Park y Calle dedicada a uso publico; por el SUR, en dos (2) alineaciones distintas que suman ciento cincuenta y siete punto veintidós (157.22) metros, con la finca principal de la cual se segrega; por el ESTE, en dos (2) alineaciones distintas que suman setenta y cuatro punto noventa y dos (74.92) metros, con terrenos de Comercial Lube Corporation; y por el OESTE, en dos (2) alineaciones distintas que suman

ciento cincuenta y ocho punto cero tres (158.03) metros con quebrada existente que la separa de terrenos de terrenos de Sergio Camero.

NOV-12-2004 FRI 02:39 PM Christiansen & Portela



Schedule 1.2

Excluded Property

- 1. IWKA filter with tag NumberR-3444
- 2. IWKA Cartoner with tag number R-3443
- 3. Kiener bundler with tag number D-8449
- 4. Case Packer with tag number R-5831
- 5. Datalogic PMC80 with tag number R-3026

Schedule 4.4

Contracts

- 1. Vigilantes Security Guard
- 2. Amapola de P.R. Landscaping
- 3. E.V. Mechanical Refrigeration Services
- 4. Oliver Exterminating Services
- 5. ADT (Check alarm system every three months)
- 6. Waste Management
- 7. Puerto Rico Telephone Co.
- 8. Autoridad de Energia Electrica (Power Co.)
- 9. Autoridad de Acueductos y Alcantarillados (Water Co.)
- 10. Ivan J. Santiago PE
- 11. Victor Marin Janitorial Service
- 12. Jose Rivera Maintenance Services



REEDCO & DENTCO ENVIRONMENTAL HISTORY



Background, Reedco & Dentco

Reedco & Dentco Inc. was the Puerto Rico subsidiary of Block Drug Corporation.

GlaxoSmithKline (GSK) bought Block Drug Corporation in January 2001.

Manufacturing at Reedco & Dentco Inc. is to be to transferred to GSK facilities at Europe, Canada and the United States.

Reedco & Dentco Inc. are scheduled to close at the end of January 2003.

Background, Reedco & Dentco Inc.

Reedco Inc., formerly Tegrin Inc. was built as a green field site in the recently developed Humacao Industrial Park in 1974 and was used to manufacture shampoos and creams.

Dentco Inc., formerly Dental Products, was built as a green field site in the recently developed Humacao Industrial Park in 1975 and was used to manufacture tooth paste and dental adhesives.

The Reedco II building, formerly Denver Chemical was bought in 1996 and was used for the manufacturing of tablets and oral liquids.

The Reedco III building, formerly Peerless, was bought in 1990 and was leased to Peerless tube until 1998. After that date it was used as an obsolete equipment warehouse.

The Reedco IV building, formerly Schmidt, Inc. was bought in 1997 and used as warehouse. It is also currently used as an outplacement center.

Reedco & Dentco manufactured medicine with a license for the Puerto Rico Health Department.

REEDCO & DENTCO ENVIRONMENTAL HISTORY JULY 19, 20002

General Site Environmental Issues:

I Reedco Inc.

Reedco Inc. began operations on March 1974 as Tegrin, Inc. manufacturing Tegrin Shampoo. In November 1974, came the change of name to Reedco, Inc. and started the manufacturing of Kwell shampoo. The Kwell shampoo used Lindane (Hexachlorocyclohexane, CAS 58-89-9, UN 2761, EC 200-401-2). The Kwell manufacturing and the use of lindane was ended on 1992. All manufacturing equipment was cleaned and disposed. The manufacturing areas and lindane handling areas were cleaned in accordance with a RCRA Closure Plan approved by the U.S. Environmental Protection Agency and the Puerto Rico Environmental Quality Board (EQB).

A- Reedco RCRA History

In December 1981, EQB personnel performed a RCRA Interim status inspection. On December 1982, a Part B Application was submitted to the EPA for the operation of an evaporator (thermal treatment unit) and two holding tanks. The application was denied because 40 CFR Part 264 did not provide for permitting of miscellaneous units. As required by EPA Reedco Generator's US EPA ID NO. is PRD00069772.

In March 1984, the EPA collected samples from the Reedco property and Frontera Creek. Lindane was not detected.

In April 1990, Reedco submitted a revised part B Permit Application under the provision of 40 CFR 264 subpart X, for: (1) an inside hazardous waste container storage area, (2) two hazardous wastewater storage tanks, and (3) the evaporator (thermal treatment unit).

In May 1990 EQB prepared a Draft RCRA Facility Assessment (RFA) report in which seven (7) Solid Waste Management Units (SWMUs) and six (6) Areas of Concern (AOCs) were identified.

On February 13, 1992, Reedco notified the EPA and EQB that as part of a new business plan, it had decided to terminate the manufacture of its Kwell Products and it was therefore, withdrawing its Part B Permit Application. As a generator only, all hazardous waste generated at the site will be shipped off-site for disposal in less than 90 days.

In July 1992, a spill of about 150 gallons of Kwell wastewater occurred. Response was immediate and approval of the clean-up was received from EQB in December 1992.

In February 1993 the closure plans for the five Areas and the closure for the Delrin were submitted.

In November 1994 the completed clean-closure of the area of the two Kwell wastewater tanks, the evaporator and the inside hazardous waste container storage area was approved by the USEPA and PREQB.

In September 2000 the completed closure for the two hazardous wastes drums storage and the Delrin issue, was approved by EPA and EOB. The new classification for Reedco is now small quantity generator

Reedco II, Reedco IV and Dentco building do not have any environmental issues with EPA or EQB.

REEDCO & DENTCO ENVIRONMENTAL HISTORY JULY 19, 20002

II Waste Disposal

Authorized waste contractors remove all solid waste, liquid (sludge) and hazardous waste according with the EPA and EQB regulations.

The Treatment Plant process all manufacturing wastewater and the sanitary wastewater for Reedco I and Dentco with the permit # GDA-91-607-062. All outflow from the treatment plant goes to the Humacao Regional Treatment Plant.

Reedco and Dentco had an Air Emission Permit No. PLE-LC-36-0300-0363-I-II-0 with EPA and EQB. There have been no pollution incidents associated with the side and no improvement prohibition notices served by the environmental agencies.

They're no attempted prosecutions or convictions regarding environmental legislation by any enforcement agency.

2. Asbestos

The Asbestos in Reedco and Dentco was assessed, abated and all ACM was disposed by an authorized company on February 1994. After that Reedco and Dentco is unaware of any Asbestos on site. During the acquisition of Reedco II, Reedco III and Reedco IV an Environmental assessment was done finding all buildings without Asbestos.

The information provided in this report is correct to the best of my knowledge and belief. It is based on my experience, having worked at the site for twenty-four years, on documents and on interviews with other long-term employees.

Iván J. Santiago Plant Engineer July 17, 2002